



The Connection

Community-based Services, Advocacy
and Research for Connecticut

Public Hearing Date: February 10, 2015- RE: HB6465

TO: Senator Moore, Representative Abercrombie, Senator Markley, Representative Wood and distinguished members of the Human Services Committee,

My name is Beth A. Hogan J.D. Project Manager for The Connection, a state wide community –based services agency that focuses on areas such as, Behavioral Health, Community Justice, Child Welfare Research and community development. We are among the 800 individual organizations represented by the Connecticut Nonprofit Human Services Alliance (Nonprofit Alliance).

I would like to share my support for H.B. 6465, An Act Concerning Purchase of Service Contracts. This bill asks the Governor and legislators to appropriately fund nonprofit providers by including an increase, commonly referred to as a cost of living adjustment, in all future Purchase of Service (POS) contracts and Medicaid fee-for service accounts consistent with the average annual growth of the Consumer Price Index or inflation. This increase in funding is necessary because the state has failed to adequately fund nonprofit providers for the last two decades forcing many nonprofits to close, compete against one another for scarce resources, lay off employees, reduce benefit packages; altogether creating a win or lose system that weakens the entire nonprofit sector and threatens its sustainability.

As an example, my organization has lost talented motivated employees due to insufficient wages, increase workloads and not enough support in resources for career path development. There are significant portion of our employees that move on to state jobs for quality job wages and benefits. Thus, leaving the burden on the nonprofit provider to bear the costs of training new employees. This exodus of quality care providers would decrease if adequate wage salary and benefit adjustments were on the horizon.

This legislation makes a commitment to address those issues by properly investing in the nonprofit sector, a commitment the state has already made through 1,585 POS contracts serving approximately 500,000 residents (15% of the population) among ten state agencies totaling \$1.38 billion or 7.3% of the state budget. While any increase in funding may seem impossible in these tough budget years, policymakers simply can't afford not to make this commitment. Our employees are some of the hardest working professionals across the state and have had to bear the burden of underfunding, going years without salary increases while simultaneously watching benefit packages deteriorate.

Consequently, many of us struggle to keep a quality workforce, as we experience high turnover with employees considering state employment or similar jobs providing higher wages and better benefits. In turn, high turnover adversely affects the clients we serve who have grown comfortable with their nurse, social worker, roommate or mentor. The reality is that the health and human service nonprofit providers have been continuously underfunded over the past two decades, pushing many of us to our breaking point.



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This bill represents an opportunity to improve the quality of life and economic activity in your communities for your constituents. Investing in nonprofit providers will improve service delivery, increase economic activity, and save taxpayer money. This bill is a "win-win" for policymakers working to strengthen the economy, the nonprofit workforce trying to make ends meet, and the clients (and their families) who receive cost-effective, high-quality and efficient services from nonprofit providers. I ask for your commitment now to require that future nonprofit-government contracts are tied to the growth in CPI and/or inflation to ensure adequate funding of contracted services.

Thank you again for your time and consideration. ,

Very Truly Yours,

Beth A. Hogan, JD

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